

**MINUTES OF THE
WATERTOWN CITY COUNCIL
Regular Meeting Monday, November 7, 2011**

1. CALL TO ORDER AND ROLL CALL

Pursuant to due call and notice thereof, the regular meeting of the Watertown City Council was called to order at 6:30 p.m. on **Monday, November 7, 2011** by Mayor K. J. McDonald in the Watertown City Hall Council Chambers.

Upon roll call the following Council Members were present: McDonald, Stephen Crowder, Nicholas Hoese, Rick Mann and Michael Walters.

The following staff members were present: City Administrator Luke Fischer and City Engineer David Martini.

Also present: None

2. ADOPT AGENDA

CROWDER MOVED, WALTERS SECONDED A MOTION TO ADOPT THE AGENDA. MOTION CARRIED 5-0.

3. REVIEW OF CONSENT AGENDA

- A. Motion to approve workshop minutes of City Council from October 25, 2011
- B. Motion to approve regular minutes of the City Council from October 25, 2011
- C. Motion to approve 2012 Liquor License Renewals
- D. Motion to approve Narcotics Anonymous Request
- E. Motion to authorize City participation in the Chamber's Holiday Open House
- F. Motion to approve Certification of Delinquent Utilities
- G. Motion to approve seasonal snow plow operators
- H. Motion to approve Hoff, Barry, Kozar Pay Request
- I. Motion to approve MK Land Corp Pay Request
- J. Motion to approve MNSPECT Pay Request

CROWDER MOVED, MANN SECONDED A MOTION TO ADOPT THE CONSENT AGENDA. MOTION CARRIED 5-0.

4. OPEN FORUM

5. CELEBRATE WATERTOWN

- A. Fischer stated that the feasibility study would be conducted for the capital improvements (Community Park and Street Reconstruction projects)
- B. McDonald stated that Friday, Nov. 11 was Veterans Day and a time for residents to reflect on the contributions of war veterans to preserve our freedom

6. NEW/OLD BUSINESS

- A. Review and Consider 2012 Capital Improvement Projects

Fischer stated that the Council has identified two capital improvement projects for 2012 – Street Reconstruction and Community Park improvements. He presented the scope and financial plans for the projects to the Council. Streets identified for improvement are Dutchman's Way, Sugarbush Trail, Hunter Drive, Madison Avenue, Upper Jackson Avenue,

Hutchinson Road, West High Street and Newton Avenue. This reconstruction project would finalize the remaining streets which have yet to be reconstructed since the process began in 1996. City staff recommended the city continue the 429 Assessment Process for financing the project. This mechanism had been used for past street improvement projects. The Community Park improvements being recommended by City Staff for the feasibility study include extension of Streets A and B along with utilities to the edge of the Community Park property, rough grading of nature trails and sidewalk installation and a complete grading plan. Park financing options presented included a 429 Assessment Bond, Voter Approved Bond and Park Dedication Funding. Fischer went over the process that would be needed to follow the 429 Assessment Process.

WALTERS MOVED, HOESE SECONDED A MOTION TO AUTHORIZE THE CITY ENGINEER (BOLTON & MENK, INC) TO CONDUCT A FEASIBILITY STUDY ON THE 2012 CAPITAL IMPROVEMENT PROJECTS – STREET RECONSTRUCTION AND COMMUNITY PARK IMPROVEMENTS. MOTION CARRIED 5-0.

B. Review and Discuss Downtown Façade Improvement Loan and Grant Application

Fischer stated the EDA is finalizing a loan and grant program which would provide assistance at a 2 to 1 level, not to exceed a total of \$5,000 loan and \$2,500 grant. This will be available to businesses who are interested in improving the exteriors of their buildings. Matt Jensen, owner of 142 Lewis Ave. S. has expressed interest in making application. His project was the impetus for the EDA drafting the program.

MCDONALD MOVED, MANN SECONDED A MOTION IN SUPPORT OF THE DOWNTOWN FAÇADE IMPROVEMENT LOAN AND GRANT APPLICATION PROGRAM. MOTION CARRIED 5-0.

C. Consider Step Increases

Fischer stated that the City compensates employees based on a step system which provides a mechanism for planned increases based on positive performance and tenure with the city. As part of the 2011 budget process, the City budgeted for a one step increase for each eligible employee. The Personnel Committee met August 19, 2011 to review step increases for six eligible employees and recommended approval retroactive to June as described in the Personnel Policy. He stated that the City last gave a step increase in 2008 and last gave a Cost of Living Adjustment in 2009.

Mann stated that it is difficult to be between the staff and the citizens and he finds it hard to approve an increase when the city is looking at budget cuts. He stated that the employees do work hard and want to keep their jobs. He believes the council has been always been fair to the employees. His concern is that the taxable market value is a couple of years behind before the market value goes back up. He stated that once the market goes back up there will be a time delay before the city receives its money. He stated that there are some employees who have taken on extra work who deserve an increase above the cost of living adjustment. He does not favor giving a cost of living adjustment to everyone. He stated that there should not be a cost of living adjustment when the budget had been reduced by \$800,000 over four years. He would be in favor of a merit pay system.

Walters stated that he recognizes the value of the staff to the city and would like to approve the increases since they were in the budget and recommended by the Personnel Committee. He stated that employees may be able to put up with one or two years without an increase, but not after that.

McDonald stated that everyone has suffered by the decrease in the value of the dollar. He stated that there are good arguments for a cost of living adjustment and maybe it is time to do step increases or cost of living adjustments for the coming year, but not both. McDonald stated that he favored a cost of living increase because it is fair across the board. He asked the Council if they would favor a cost of living increase for 2012 regardless of whether there were step increases or not. Walters and Crowder said "yes" and Hoese said "no."

Hoese stated that the Council should hold the line. He stated that maybe the city should look into a merit pay system. He stated that he would like to table the topic and have more discussion at a workshop.

Crowder stated he wouldn't feel right taking away the step and grade system when the employees know of its existence prior to their being hired. He stated that if the Council wants to implement a merit pay system it needs to do what's right for the employees. He stated that the system the City uses now states that if your review is positive you're entitled to a step increase. Because of this, Crowder stated that he would be in favor of step increases.

WALTERS MOVED, CROWDER SECONDED A MOTION TO APPROVE STEP INCREASES FOR SIX ELIGIBLE CITY STAFF BASED ON THE RECOMMENDATION FROM THE PERSONNEL COMMITTEE. MOTION CARRIED 3-2 (HOESE AND MANN VOTED NAY).

7. **COMMITTEE REPORT**

A. Walters stated that the Eagle Scout project was underway at Kings Highland Park.

8. **CONSULTANTS' REPORT**

9. **MAYOR'S REPORT**

10. **COUNCIL MEMBERS' REPORT**

11. **STAFF REPORTS**

D. Finance Director

1. Approve Claims Roster/Voucher List

CROWDER MOVED, WALTERS SECONDED A MOTION TO APPROVE THE CLAIMS ROSTER/VOUCHER LIST. MOTION CARRIED 5-0.

12. **ADJOURNMENT**

THERE BEING NO FURTHER BUSINESS THE MEETING WAS ADJOURNED AT 7:34 PM.

ATTEST:

Steven Wallner
Clerk-Treasurer

KJ McDonald
Mayor